



County of Los Angeles CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

DAVID E. JANSSEN
Chief Executive Officer

July 3, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROPRIATION ADJUSTMENTS TO THE DEPARTMENTS OF HEALTH SERVICES AND
PUBLIC HEALTH'S FISCAL YEAR 2006-07 BUDGETS
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Appropriation Adjustment to the Fiscal Year 2006-07 Final Budget to transfer net County cost and appropriation of \$2,978,000 from the Department of Health Services (DHS) to the Department of Public Health (DPH); the Appropriation Adjustment will increase DPH appropriation in Salary and Employee Benefits (S&EB) for three employees who transferred to DPH during FY 2006-07 and in Services and Supplies (S&S) for centralized services which are being provided by DHS and billed to Public Health Programs during FY 2006-07.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

In approving the recommended action, the Board is authorizing the transfer of appropriation and net County cost totaling \$2,978,000 from DHS' FY 2006-07 Final Budget to DPH's FY 2006-07 Final Budget. This action is required to transfer additional appropriation not included in the first appropriation adjustment approved by the Board in September 2006 as part of the separation of the two departments.

As part of the FY 2007-08 Proposed Budget approved by your Board on April 17, 2007, additional transfers of appropriation, net County cost and budgeted positions from DHS to DPH were approved to continue the separation of the two departments. However, DPH will actually incur some of these transferred expenses during FY 2006-07 for services provided by DHS to Public Health Programs and for three employees who transferred to DPH during FY 2006-07.

In addition to transferring appropriation from DHS to DPH where the expenses will actually be incurred during FY 2006-07, the action also further implements the provisions of the MOU between DHS and DPH related to the separation of the two departments.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Honorable Board of Supervisors
July 3, 2007
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FISCAL IMPACT/FINANCING

The recommended appropriation adjustment will transfer appropriation from DHS to DPH by decreasing DHS' S&EB appropriation by \$180,000 and increasing intrafund transfer by \$2,798,000, and increasing DPH's S&EB by \$180,000 and S&S appropriation by \$2,798,000, resulting in no additional net County cost.

Funding is included in DHS' and DPH's FY 2006-07 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 30, 2006, the Board approved the separation of Public Health from the DHS. DPH officially separated from DHS on July 6, 2006. Although the creation of DPH's budget was largely straightforward because it had been a separate budget unit within the overall DHS budget, appropriation adjustments were required to transfer appropriation and budgeted positions for centralized services previously provided by DHS and billed to DPH.

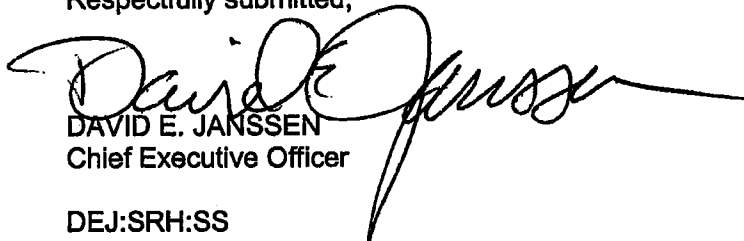
The supplemental budget adjustments which the Board approved in September 2006 contained the majority of the budget adjustments needed to implement the separate department. However, a few adjustments were not included, because some details of the separation were still being negotiated and some of the costs had not yet been calculated. This Appropriation Adjustment furthers the process which began last year.

IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS)

No changes in services for either department will result.

When approved, both Departments require three copies of the Board's action.

Respectfully submitted,



DAVID E. JANSSEN
Chief Executive Officer

DEJ:SRH:SS
DJ:LT:bjs

Attachment

c: County Counsel
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health Services

DATE 06/06/2007

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

Budget Adjustment
Fiscal Year 2006-07
3-Vote

SOURCES:

Department of Health Services
Intrafund Transfer, PH Program
A01-HS-20000-6800 \$2,798,000
Increase Intrafund TransferSalaries & Employee Benefits
A01-HS-20000-1000 180,000
Decrease Appropriation

Total Sources \$2,978,000

USES:

Department of Public Health
Services & Supplies
A01-HS-23450-2000 \$2,798,000
Increase AppropriationSalaries & Employee Benefits
A01-HS-23450-1000 180,000
Increase Appropriation

Total Uses \$2,978,000

JUSTIFICATION:

Public Health (PH) separated from the Department of Health Services (DHS) in July 2006. This budget adjustment requests additional S&S funding for PH to cover the costs of DHS services, plus the Salary & EB budget to cover the staff costs of 3 employees who have transferred to PH. The fiscal impact of this budget adjustment will result in zero net County cost.

CHIEF ADMINISTRATIVE OFFICER'S REPORT

ADOPTEDMason Matthews, Acting Controller
DHS-Controller's DivisionBOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JUL - 3 2007

SACHI A. HAMAI
EXECUTIVE OFFICERREFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:☐ ACTION☒ RECOMMENDATIONAPPROVED AS REQUESTED ☒ AS REVISED ☐

6/18/07

D Jensen
CHIEF ADMINISTRATIVE OFFICERAPPROVED (AS REVISED):
BOARD OF SUPERVISORS

AUDITOR-CONTROLLER No.

BY:

JUN 19, 2007

BY:

DEPUTY COUNTY CLERK

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SEND 6 COPIES TO THE AUDITOR-CONTROLLER